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GENERAL COUNSEL

JUN 15 2001

**Before the State of South Carolina  
Department of Insurance**

STATE OF SOUTH CAROLINA  
DEPARTMENT OF INSURANCE

In the matter of:

The Connecticut Surety Company

100 Pearl Street, 16th Floor  
Hartford, Connecticut 06103-4506.

SCDI File Number 2001-107753

**Consent Order  
Imposing Administrative Penalty**

This matter comes before me pursuant to an agreement entered into between the State of South Carolina Department of Insurance and The Connecticut Surety Company, an insurer licensed to transact insurance business within the State of South Carolina.

Connecticut Surety acknowledges, and I find as fact, that it failed to timely file its 2000 Fee and Tax Return by March 1, 2001. Connecticut Surety previously had failed to timely file a quarterly tax installment with the Department, for which it was given a first offense warning letter. Connecticut Surety has alleged that these actions were completely unintentional, in that it had mailed these documents by the statutory deadline. However, these acts are a direct violation of S.C. Code Ann. § 38-7-60 (3) (Supp. 2000), which requires the documents to be actually received at the Department of Insurance by the dates listed.

Rather than contesting this matter, Connecticut Surety and the Department agreed to submit the entire matter to me, along with their specific recommendation, for my summary decision. That consensual recommendation was that Connecticut Surety would waive its right to a public hearing and would immediately submit an administrative penalty in the total amount of \$1,000.

Section 38-7-60(3) states, in pertinent part, that "[t]he premium and other taxes imposed on insurers pursuant to Sections 38-7-20, 38-7-30, 38-7-40, 38-7-50, and 38-7-90 must be paid to the Director or his designee in quarterly installments on or before March first, June first, September first, and December first of each calendar year."

After a thorough review of the matter, carefully considering the recommendation of the parties, and pursuant to my findings of fact, I hereby conclude as a matter of law that Connecticut Surety is in violation of S.C. Code Ann. § 38-7-60(3) (Supp. 2000). Accordingly, I hereby impose an administrative penalty in the amount of \$1,000 against Connecticut Surety pursuant to the discretion provided to me by the State of South Carolina General Assembly in S.C. Code Ann. §§ 38-5-130 and 38-2-10 (Supp. 2000). This administrative penalty must be paid within ten days of my date and my signature upon this consent order. If that total amount is not paid on, or before, that date, then Connecticut Surety's certificate of authority to transact business as an insurer within the State of South Carolina will be summarily revoked without any further administrative disciplinary proceedings.



The Connecticut Surety Company

This administrative penalty has been reached by the parties in consideration of Connecticut Surety's assurance that it will timely file each of its future tax returns with the Department. This penalty includes all expenses related to investigation of this matter as provided in § 38-13-70 of the South Carolina Code. The parties expressly agree and understand Connecticut Surety's payment of the agreed-upon penalty constitutes full accord and satisfaction of this matter. By the signature of one of its officers or authorized representatives upon this consent order, Connecticut Surety acknowledges that it understands that this administrative disciplinary order is a public record subject to the disclosure requirements of the State of South Carolina's *Freedom of Information Act*, S.C. Code Ann. §§ 30-4-10, *et seq.* (1991 and Supp. 2000).

Nothing contained within this administrative disciplinary order should be construed to limit, or to deprive any person of, any private right of action under the law. Nothing contained within this administrative disciplinary order should be construed to limit, in any manner, the criminal jurisdiction of any law enforcement or judicial officer. Nothing contained within this administrative disciplinary order should be construed to limit the statutory duty, pursuant to S.C. Code Ann. § 38-3-110 (Supp. 2000), of the Director of Insurance, exercised either directly or through the Department, to "report to the Attorney General or other appropriate law enforcement officials criminal violations of the laws relative to the business of insurance or the provisions of this title which he considers necessary to report."

It is, therefore, ordered that The Connecticut Surety Company shall, within ten days of my date and my signature upon this consent order, pay through the Department an administrative penalty in the total amount of \$1,000.

It is further ordered that a copy of this consent order shall be immediately transmitted to the National Association of Insurance Commissioners for distribution to its member states.

This consent order becomes effective on the date of my signature below.



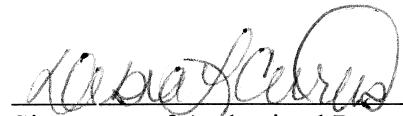
Ernst N. Csiszar  
Director

15 June, 2001  
Columbia, South Carolina



The Connecticut Surety Company

I CONSENT:

  
Signature of Authorized Representative

DEBRA CURTIS  
Name

ACTING CONTROLLER  
Title

The Connecticut Surety Company  
100 Pearl Street, 16th Floor  
Hartford, Connecticut 06103-4506

Dated this 1st day of JUNE, 2001